

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

MICHAEL RICATTO,

Plaintiff,

- v -

M3 INNOVATIONS UNLIMITED INC., et al.,

Defendants.

No. 18 CV 8404 (KPF)

**DECLARATION OF  
KATE ROLSTON**

Kathryn Rolston, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am the Chief Marketing Officer of M3 Innovations Unlimited, Inc., the Defendant-Counterclaim Plaintiff in this action.

2. I make this declaration in support of M3's motion for summary judgment and in opposition to Mr. Ricatto's cross-motion for summary judgment.

3. Beginning in early 2017, and continuing throughout 2017, M3 was working hard to find investors and investment capital to grow and to expand a medical cannabis business.

4. M3 and Mr. Ricatto signed the Line of Credit agreement on October 11, 2017.

5. By the time we signed up the Line of Credit in October 2017, M3's business operations and investor outreach was well underway. (That is how we obtained loans and credit from Mr. Ricatto under the Line of Credit.)

6. In October 2017, M3 was actively budgeting and planning the medical cannabis cultivation operation.

7. Around September of 2017, my husband Kyle Kietrys and I had to relocate from our home in New Jersey to California, where the growing M3 business was based.

8. M3 loaned us around \$9,000.00 to cover relocation expenses and a deposit on a California rental. M3 paid other employees' relocation and moving expenses outright.

9. In November 2017 I and other M3 employees attended MJBizCon, one of the biggest cannabis industry conferences, which happens annually in Las Vegas. The conference was a networking and promotional event and we met there with potential M3 investors, partners, suppliers, and vendors. The trip was exceedingly useful to gain critical industry, scientific, and medical education for our team. M3 paid business expenses for the MJBizCon trip. I paid my own personal expenses, and so did other M3 employees.

10. I understand Mr. Ricatto claims that M3 never realized any revenue. He is incorrect. To be sure, M3 never got the chance to generate revenue it had expected from the sale of medical cannabis — Mr. Ricatto shut off our funding (and crippled the Company) before our grow operation in Adelanto could get up and running. However, we had other revenue streams that we developed for M3, including ones we launched in an effort to save the Company after Mr. Ricatto breached his commitments to us.

11. In early 2018, M3 began marketing and selling cannabinoid-infused CBD skin creams, tinctures, and topical pain products. We set up an ecommerce platform as well as a booth at a music and culture event called KayaFest that took place in or about March and April 2018. All told we realized approximately \$40,000 in revenue from the sale of the skin and pain products, and we continued actively working to build up that product line until M3 finally ran out of financing.

12. I am proud that M3 attracted talented and driven personnel, as well as expert advisors, but I am devastated that the Company failed after Mr. Ricatto breached his obligations and turned off the Line of Credit.


13. M3 paid Mr. Ricatto almost a million dollars in Key Money that was supposed to be for M3's contribution to the Land in Adelanto, to the buildout, and to the Greenhouse that Mr. Ricatto (through Golden State Lion) was obligated to build. Mr. Ricatto took the Key Money and ran, and M3 got nothing in return because Mr. Ricatto abandoned his obligations.

14. Mr. Ricatto was the sole member of Golden State Lion and he had full control of that entity, which was M3's landlord under the Lease. Mr. Ricatto caused Golden State Lion to breach the Lease and he obstructed Golden State Lion's construction of the Greenhouse.

15. Even after Mr. Ricatto shut off our funding in April 2018, M3 continued to try to raise additional financing from investors. M3 was unsuccessful in that effort in large part due to the fact that no one wanted to put money into a Company whose landlord and primary funder — Mr. Ricatto — had abandoned it.

16. Once Mr. Ricatto filed suit against M3 in September 2018, it was extremely difficult to attract new investors.

DATED: May 13, 2021  
Norwood, Colorado

  
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Kathryn Rolston